

**FINANCIAL  
REPORT  
1<sup>ST</sup> QUARTER 2018**

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## Highlights of the first quarter of 2018

- + Attractive market growth in primary aluminium and aluminium rolled products
- + Market environment strongly affected by political topics
- + Revenue up 2.2 % to EUR 263.2 million
- + EBITDA of EUR 38.9 million below Q1 2017 (EUR 43.4 million) because of positive one-off effects in the previous year and start-up costs of the new plant
- + Based on increasing customer approvals for the new plant, significant volume growth in the Rolling Division is expected for 2018
- + 2018 outlook: EBITDA in range between EUR 150 million and EUR 170 million

## Key indicators

Key figures for the Group in EUR million	Q1/2018	Q1/2017*	Change in %
Shipments total in tons	101,000	107,100	(5.7 %)
External shipments in tons	97,200	100,100	(2.9 %)
Revenue Group	263.2	257.5	2.2 %
EBITDA	38.9	43.4	(10.2 %)
EBITDA margin	14.8 %	16.9 %	
Operating result (EBIT)	18.6	24.7	(24.7 %)
EBIT margin	7.1 %	9.6 %	
Earnings before taxes (EBT)	16.8	22.1	(23.9 %)
Net income after taxes	12.9	16.5	(22.3 %)
Cash flow from operating activities	14.0	7.6	83.2 %
Cash flow from investing activities	(21.7)	(44.6)	51.3 %
Employees <sup>1)</sup>	1,919	1,819	5.5 %
	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>Change in %</b>
Total assets	1,463.9	1,404.9	4.2 %
Equity	652.2	607.9	7.3 %
Equity ratio	44.5 %	43.3 %	
Working capital employed	297.7	297.4	0.1 %
Net financial debt	290.9	282.4	3.0 %
Gearing	44.6 %	46.4 %	

1) Average number of employees (full-time equivalents), including temporary help workers and excluding apprentices. The figure includes a 20 % pro rata share of the labour force at the Alouette smelter, in line with the equity interest.

\* Due to the early application of IFRS 9 as of June 2017, the Q1 2017 figures were adjusted retrospectively.

The totalling of rounded amounts and percentages can create rounding differences.

## Economic environment

In its recent forecasts, the IMF<sup>1</sup> forecasts 3.9% global economic growth for 2018, compared with 3.8% in 2017.

In industrialised nations, a higher growth dynamic is expected for 2018 than in 2017. For the USA, the IMF forecasts 2.9% growth, compared with 2.3% in 2017. In the Eurozone, the economy is expected to expand by 2.4%, after 2.3% in 2017.

The economy in the group of emerging and developing countries is forecast to grow by 4.9%, according to IMF expectations (2017: +4.8%). For China, the IMF sees an increase of 6.6% (2017: +6.9%).

The AMAG Metal and Rolling divisions operate worldwide, with global consumption of primary aluminium and rolled products being of central importance as a consequence. According to recent estimates by the CRU market research institute, demand for primary aluminium<sup>2</sup> and aluminium rolled products<sup>3</sup> will grow further in 2018, and reach new record levels. The CRU anticipates demand for primary aluminium to rise by 4.7 % to 66.6 million tonnes. Demand for aluminium rolled products is forecast to increase by 4.5 % to 27.6 million tonnes.

## AMAG Group business trends

### Operating trends

Influenced especially by modernisation activities in the Casting Division and refractory relining activities in the Metal Division, total shipment volumes (including intragroup shipments) of 101,000 tonnes were below the previous year's level (Q1 2017: 107,100 tonnes). External shipment volumes in Q1 2018 amounted to around 97,200 tonnes, compared with 100,100 tonnes in the previous year's comparable period.

### Shipments

in thousand tonnes



The average aluminium price (3-month LME) for the first quarter of 2018 of 2,164 USD/t was considerably above the average for the previous year's comparable period (Q1/2017: USD/t 1,856).

It reached its high for the year to date on January 2, 2018 at USD/t 2,268. It touched its low for the year to date of 2,014 USD/t on March 29, 2018. Consequently, the fluctuation range during the first quarter of the year amounted to 254 USD/t.

### Aluminium prices

Three-month-settlement in USD/t



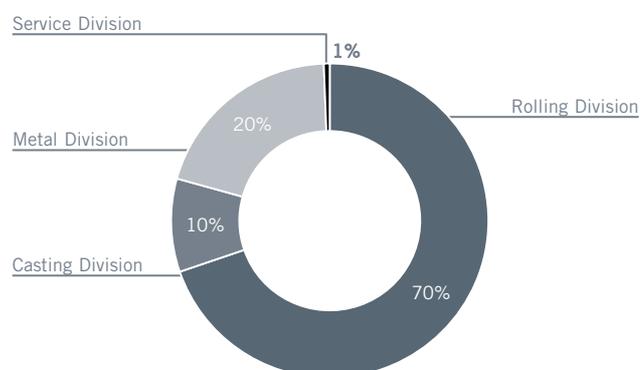
### AMAG Group revenue and earnings

Thanks to the higher aluminium price, revenue increased from EUR 257.5 million to EUR 263.2 million, representing 2.2 percent growth.

The EBITDA of the AMAG Group stood at EUR 38.9 million in the first quarter of 2018, compared with EUR 43.4 million in the previous year. This reduction is mainly attributable to positive one-off effects in the previous year.

### Group revenue by divisions

in %



1) See IMF, World Economic Outlook, April 2018

2) See CRU Aluminium Market Outlook, January 2018

3) See CRU Aluminium Rolled Products Market Outlook, February 2018

The earnings (EBITDA) contribution from the Metal Division was recorded EUR 0.9 million above the previous year's contribution, primarily thanks to the higher aluminium price. Due to the low shipment volumes as a consequence of the planned modernisation measures, EBIT generated by the Casting Division reduced from EUR 1.3 million to EUR 1.1 million. The EBITDA of the Rolling Division amounted to EUR 24.3 million, compared with EUR 30.1 million in Q1 2017, which is especially attributable to the positive one-off effect of around EUR 3 million in the first quarter of the previous year and higher start-up costs associated with the site expansion programme. The EBITDA of the Service Division improved from EUR 2.3 million to EUR 3.0 million.

Depreciation and amortisation of EUR 20.4 million during the first three months of 2018 were above the level of the first quarter of 2017 (EUR 18.7 million) due to the commissioning of the new plants during 2017.

Consolidated earnings before interest and tax (EBIT) stood at EUR 18.6 million during the first quarter, EUR 6.1 million below the EUR 24.7 million result in the previous year's comparable period.

Net income after taxes amounted to EUR 12.9 million, compared with EUR 16.5 million in the previous year's equivalent period.

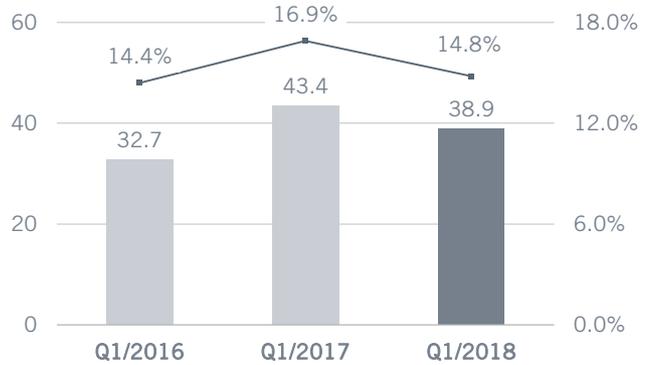
Earnings per share stood at EUR 0.36 in the first quarter of 2018 (comparable period 2017: EUR 0.47 ).

**Investments**

The investments of the AMAG Group amounted to EUR 16.2 million during the first three months of 2018 (comparable period 2017: EUR 32.7 million) and along with the "AMAG 2020" expansion project related to other targeted projects to extend the vertical range of manufacture in the Rolling Division and to modernise the plant park in the Casting Division.

**EBITDA and EBITDA margin**

in EUR million and %



**Financial position and net debt**

The equity of the AMAG Group amounted to EUR 652.2 million as of the end of March 2018, and was thereby above the level of the previous 2017 financial year-end of EUR 607.9 million, reflecting the net income after taxes and positive hedging reserve effects. The equity ratio rose to 44.5 % as of the current balance sheet date, compared with 43.3 % as of December 31, 2017.

The liquid assets of the AMAG Group stood at EUR 183.8 million at the end of March 2018, compared with EUR 169.8 million at the end of the previous year.

Net debt of EUR 290.9 million as of the end of March 2018 was almost unchanged compared with the 2017 year-end (December 31, 2017: EUR 282.4 million). Gearing improved to 44.6 % (December 31, 2017: 46.4 %).

## Segment reporting

### Metal Division

Key figures for the Metal Division in EUR million	Q1/2018	Q1/2017*	Change in %
Shipments in tons <sup>1)</sup>	28,200	30,100	(6.3 %)
of which internal shipments	0	0	
Revenue	197.4	188.8	4.5 %
of which internal revenue	144.5	134.5	7.5 %
EBITDA	10.6	9.7	9.8 %
EBIT	4.3	2.0	122.1 %
Employees FTE (excluding apprentices)	184	188	(2.1 %)

1) Shipment volumes and internal shipments relate exclusively to the AMAG interest in the smelter Alouette

\* Due to the early application of IFRS 9 as of June 2017, the Q1 2017 figures were adjusted retrospectively.

Shipment volumes in the Metal Division during the first quarter of 2018, 28,200 tonnes were below the previous year's level (comparable period 2017: 30,100 tonnes), which is particularly attributable to a higher level of refractory relining activity during the first quarter of 2018.

Revenue during the first three months of 2018 increased by 4.5 % from EUR 188.8 million to EUR 197.4 million due to the higher aluminium price and the rise in the premium level.

EBITDA in the first quarter 2018 of EUR 10.6 million was above the previous year's comparable figure of EUR 9.7 million. The effects from the higher aluminium price and the higher premium more than offset the increase in the primary material costs, especially in the case of alumina, as well as negative currency effects.

### Casting Division

Key figures for the Casting Division in EUR million	Q1/2018	Q1/2017	Change in %
Shipments in tons	18,400	22,400	(17.9 %)
of which internal shipments	3,800	7,000	(45.7 %)
Revenue	26.6	30.1	(11.5 %)
of which internal revenues	1.3	2.6	(49.7 %)
EBITDA	1.1	1.3	(15.8 %)
EBIT	0.7	0.7	(8.5 %)
Employees FTE (excluding apprentices)	124	123	0.8 %

Due to the planned modernisation activities during the first half of 2018, total shipment volumes of 18,400 tonnes in the first quarter of 2018 were below the corresponding prior-year period's level of 22,400 tonnes, as planned.

In a quarter-on-quarter comparison, revenue thereby decreased from EUR 30.1 million in 2017 to EUR 26.6 million.

EBITDA decreased from EUR 1.3 million to EUR 1.1 million mainly due to the lower shipment volume.

The operating result (EBIT) amounted to EUR 0.7 million in the first three months of the current year (previous year: EUR 0.7 million).

### Rolling Division

Key figures for the Rolling Division in EUR million	Q1/2018	Q1/2017*	Change in %
Shipments in tons	54,400	54,500	(0.2 %)
Revenue	220.0	201.8	9.1 %
of which internal revenues	36.4	27.5	32.5 %
EBITDA	24.3	30.1	(19.5 %)
EBIT	13.8	22.4	(38.4 %)
Employees FTE (excluding apprentices)	1,468	1,369	7.2 %

\* Due to the early application of IFRS 9 as of June 2017, the Q1 2017 figures were adjusted retrospectively.

The ramp-up and the qualification of new facilities as part of the AMAG 2020 site expansion programme were a main focus during the first quarter of 2018. Shipment volumes in the Rolling Division of 54,400 tonnes were at the level of the first quarter of 2017.

Thanks to the higher aluminium price, revenue increased in the first quarter by 9.1 % and amounted to EUR 220.0 million, compared with EUR 201.8 million in the corresponding prior-year period.

EBITDA in the first three months of the year declined from EUR 30.1 million in the previous year to EUR 24.3 million. This reduction especially reflected a one-off effect of around EUR 3 million included

in the previous year, as well as higher start-up costs connected with the plant expansion in Ranshofen.

In a comparison of the first three months of the year, the operating result (EBIT) decreased by 38.4 %, from EUR 22.4 million to EUR 13.8 million. This reflected the effects already mentioned and the higher requirement for depreciation due to the plant expansion.

### Service Division

Key figures for the Service Division in EUR million	Q1/2018	Q1/2017	Change in %
Revenue	20.8	20.6	0.9 %
of which internal revenues	19.3	19.1	1.0 %
EBITDA	3.0	2.3	29.1 %
EBIT	(0.2)	(0.4)	45.5 %
Employees FTE (excluding apprentices)	143	140	2.1 %

Revenue between January and March of the current financial year amounted to EUR 20.8 million, compared with EUR 20.6 million a year previously.

EBITDA during the first quarter of 2018 stood at EUR 3.0 million, as compared with EUR 2.3 million in the corresponding prior-year period, reflecting the considerable increase in site services.

In a comparison of the first three months of the year, the operating result (EBIT) improved from EUR -0.4 million to EUR -0.2 million.

## Outlook

Rising demand for aluminium and its alloys forms the very promising basis for the growth path the company is pursuing, and for a positive business trend during this year and in coming years.

The market environment was increasingly and significantly affected by special effects such as the introduction of US import tariffs on aluminium products, the production cut imposed by the Brazilian authorities on the world's largest alumina refinery as well as US sanctions against Russia.

Due to these special effects, the price trend for primary aluminium was very volatile and the premiums for primary aluminium increased significantly in particular in North America. Compared to the aluminium price, the alumina price has risen disproportionately.

Given this volatile market environment, which is characterised by political uncertainties, it is currently only possible to provide an earnings forecast for the 2018 financial year in the form of a wide range. Taking the past weeks' market conditions into consideration, EBITDA of between EUR 150 million and EUR 170 million is anticipated for 2018.

## Consolidated statement of financial position

Assets in EUR thousand	March 31, 2018	December 31, 2017
Intangible assets	8,843	8,790
Property, plant and equipment	743,988	751,726
Investments in associates	1,432	1,395
Other non-current assets and financial assets	68,586	49,319
Deferred tax assets	9,452	13,611
<b>Non-current assets</b>	<b>832,300</b>	<b>824,840</b>
Inventories	233,360	227,218
Trade receivables	133,216	120,404
Current tax assets	3,034	1,283
Other current assets	78,260	61,372
Cash and cash equivalents	183,775	169,752
<b>Current assets</b>	<b>631,644</b>	<b>580,029</b>
<b>TOTAL ASSETS</b>	<b>1,463,944</b>	<b>1,404,869</b>
	<b>March 31, 2018</b>	<b>December 31, 2017</b>
<b>Equity and liabilities in EUR thousand</b>		
Share capital	35,264	35,264
Capital reserves	379,337	379,337
Hedging reserve	545	(28,115)
Fair value reserve	(692)	(3,438)
Revaluation reserve	580	580
Revaluation of defined benefit plans	(22,828)	(27,232)
Share of other comprehensive income of associates	(11)	(11)
Exchange differences	32,553	36,647
Retained earnings	227,420	214,842
Equity	652,167	607,874
Non-current provisions	85,002	91,762
Interest-bearing non-current financial liabilities	363,154	338,751
Other non-current liabilities and grants	73,942	83,349
Deferred tax liabilities	6,641	0
Non-current liabilities	528,739	513,861
Current provisions	11,808	16,977
Interest-bearing current financial liabilities	111,767	113,841
Trade payables	90,552	77,564
liabilities from contracts	1,145	0
Current tax liabilities	2,324	1,036
Other current liabilities and grants	65,443	73,715
Current liabilities	283,038	283,134
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,463,944</b>	<b>1,404,869</b>

## Consolidated statement of profit or loss

acc. to the COST OF SALES METHOD in EUR thousand	Q1/2018	Q1/2017*	2017
<b>Revenue</b>	<b>263,220</b>	<b>257,489</b>	<b>1,036,238</b>
Cost of sales	(223,885)	(216,054)	(880,022)
Gross profit	39,335	41,435	156,216
Other income	2,631	4,927	15,025
Selling and distribution expenses	(11,884)	(11,199)	(45,339)
Administrative expenses	(6,541)	(6,107)	(22,467)
Research and development expenses	(3,210)	(2,819)	(12,315)
Other expenses	(1,797)	(1,559)	(5,835)
Share of profit of equity-accounted investments	37	0	1,517
Earnings before interest and taxes (EBIT)	18,570	24,677	86,802
Net interest result	(1,836)	(1,558)	(6,446)
Other financial result	95	(999)	1,300
Net financial income (expenses)	(1,741)	(2,556)	(5,146)
<b>Earnings before taxes (EBT)</b>	<b>16,829</b>	<b>22,121</b>	<b>81,657</b>
Current taxes	(5,275)	(4,083)	(11,085)
Deferred taxes	1,305	(1,492)	(7,412)
Income taxes	(3,970)	(5,575)	(18,497)
<b>Net income after taxes</b>	<b>12,858</b>	<b>16,546</b>	<b>63,160</b>
Total number of no-par-value shares	35,264,000	35,264,000	35,264,000
Earnings per share	0.36	0.47	1.79

\* Due to the early application of IFRS 9 as of June 2017, the Q1 2017 figures were adjusted retrospectively.

## Consolidated statement of comprehensive income

in EUR thousand	Q1/2018	Q1/2017*	2017
Net income after taxes	12,858	16,546	63,160
<b>Items that are or may be reclassified to profit or loss:</b>			
Currency translation differences	(4,094)	(3,169)	(23,186)
Changes in the hedging reserve			
Recognized (expenses) and income during the financial year	36,251	(42,643)	(29,322)
Reclassifications of amounts that have been recognized in the statement of profit or loss	1,279	6,710	12,765
Deferred taxes relating thereto	(9,687)	9,644	4,990
Currency translation differences	817	92	1,910
Changes in fair value reserve	3,661	(1,878)	(4,633)
Deferred taxes relating thereto	(915)	470	1,158
<b>Items that will never be reclassified to profit or loss:</b>			
Changes in revaluation reserve	0	0	(38)
Deferred taxes relating thereto	0	0	9
Remeasurement of defined benefit plans	5,561	0	(13,461)
Deferred taxes relating thereto	(1,468)	0	3,489
Currency translation differences	311	109	1,259
Share of other comprehensive income of associates	0	0	(15)
Deferred taxes relating thereto	0	0	4
Other comprehensive income for the year net of tax	31,715	(30,667)	(45,071)
Total comprehensive income for the year	44,574	(14,120)	18,089

\* Due to the early application of IFRS 9 as of June 2017, the Q1 2017 figures were adjusted retrospectively.

## Consolidated statement of cash flows

in EUR thousand	Q1/2018	Q1/2017*	2017
Earnings before taxes (EBT)	16,829	22,121	81,657
Interest income (expenses)	1,836	1,558	6,446
Share of profit of associates	(37)	0	(1,517)
Depreciation, amortisation and impairment losses/reversal of impairment losses on non-current assets	20,375	18,713	77,651
Impairment losses / reversal of impairment losses on financial assets	0	0	0
Losses/gains from the disposal of non-current assets	186	(5)	572
Proceeds from dividends	0	0	126
Other non-cash expenses/income	(385)	159	1,775
Changes in inventories	(6,760)	(30,481)	(31,170)
Changes in trade receivables	(17,692)	(25,345)	(16,843)
Changes in trade payables	19,141	23,295	7,459
Changes in provisions	(282)	(905)	713
Changes in derivatives	(5,748)	6,128	11,603
Changes in other receivables and liabilities	(6,862)	761	(18,477)
	20,601	15,998	119,993
Tax payments	(5,719)	(7,811)	(14,531)
Interest received	182	262	820
Interest paid	(1,050)	(802)	(4,441)
Cashflow from operating activities	14,014	7,648	101,841
Proceeds from disposals of non-current assets	10	110	787
Payments for investments in property, plant and equipment and intangible assets	(21,835)	(44,691)	(108,969)
Proceeds from grants for investments	97	0	0
Cash flow from investing activities	(21,728)	(44,580)	(108,182)
Repayments of borrowings	(2,365)	(1,272)	(31,144)
Proceeds from borrowings	25,000	24,726	107,770
Dividends paid	0	0	(42,317)
Cash flow from financing activities	22,635	23,454	34,309
Change in cash and cash equivalents	14,921	(13,479)	27,967
Cash and cash equivalents at the beginning of the period	169,752	149,833	149,833
Effect of exchange rate changes on cash and cash equivalents	(898)	(1,312)	(8,049)
Cash and cash equivalents at the end of the period	183,775	135,042	169,752

\* Due to the early application of IFRS 9 as of June 2017, the Q1 2017 figures were adjusted retrospectively.

## Consolidated statement of changes in equity

in EUR thousand	Share capital	Capital reserves	Hedging reserve	Fair value reserve	Revaluation reserve	Revaluation of defined benefit plans	Share of comprehensive income of associates	Exchange differences	Retained earnings	Equity
Balance as of January 1, 2017	35,264	379,337	(18,457)	0	0	(18,519)	0	59,833	193,003	630,460
Balance as of January 1, 2017 IFRS 9-Adjustment				37	608				996	1,641
Balance as of January 1, 2017 after adjustment	35,264	379,337	(18,457)	37	608	(18,519)	0	59,833	193,999	632,101
Net income after taxes									16,546	16,546
Other comprehensive income for the year net of tax			(26,198)	(1,409)	0	109		(3,169)		(30,667)
<b>Total comprehensive income for the year</b>			<b>(26,198)</b>	<b>(1,409)</b>	<b>0</b>	<b>109</b>	<b>0</b>	<b>(3,169)</b>	<b>16,546</b>	<b>(14,120)</b>
<b>Balance as of March 31, 2017*</b>	<b>35,264</b>	<b>379,337</b>	<b>(44,655)</b>	<b>(1,372)</b>	<b>608</b>	<b>(18,410)</b>	<b>0</b>	<b>56,664</b>	<b>210,545</b>	<b>617,981</b>
Balance as of January 1, 2018	35,264	379,337	(28,115)	(3,438)	580	(27,232)	(11)	36,647	214,842	607,874
Balance as of January 1, 2018 IFRS 15-Adjustment									(280)	(280)
Balance as of January 1, 2018 after adjustment	35,264	379,337	(28,115)	(3,438)	580	(27,232)	(11)	36,647	214,562	607,594
Net income after taxes									12,858	12,858
Other comprehensive income for the year net of tax			28,660	2,746	0	4,404		(4,094)		31,715
<b>Total comprehensive income for the year</b>			<b>28,660</b>	<b>2,746</b>	<b>0</b>	<b>4,404</b>	<b>0</b>	<b>(4,094)</b>	<b>12,858</b>	<b>44,574</b>
<b>Balance as of March 31, 2018</b>	<b>35,264</b>	<b>379,337</b>	<b>545</b>	<b>(692)</b>	<b>580</b>	<b>(22,828)</b>	<b>(11)</b>	<b>32,553</b>	<b>227,420</b>	<b>652,167</b>

\* Due to the early application of IFRS 9 as of June 2017, the Q1 2017 figures were adjusted retrospectively.

## The AMAG share

### AMAG share price performance

After the AMAG share had reached new historic highs at the start year, a counter trend set in during the course of the first quarter of 2018, in line with the ATX index. At the end of March 2018, the share traded at EUR 50.60, around 2% lower than as of the end of 2017 (December 29, 2017: EUR 51.39). The ATX was also almost unchanged in the comparable period. The market capitalisation of AMAG stood at EUR 1,784 million as of the end of March 2018.

### Share price performance YTD

January 2, 2018 – March 29, 2018 (in %)



### Share price performance since IPO

April 8, 2011 – March 29, 2018 (in %)



### Annual General Meeting

AMAG Austria Metall AG held its seventh Ordinary Annual General Meeting as a public stock corporation at the Schlossmuseum in Linz on April 17, 2018. All agenda items were addressed, and resolutions passed with large majorities, including approving the distribution of a dividend of EUR 1.20 per share. Further details of the agenda and the resolutions can be found in the Investor Relations section of our website at [www.amag.at](http://www.amag.at).

### Ownership structure

AMAG Austria Metall AG continues to enjoy a stable ownership structure with B&C Industrieholding GmbH comprising a core shareholder with its 52.7 % interest. AMAG Arbeitnehmer Privatstiftung, the AMAG employees' private foundation, raised its interest by 150,000 shares during the first quarter of 2018.

### Ownership structure

as at March 31, 2018

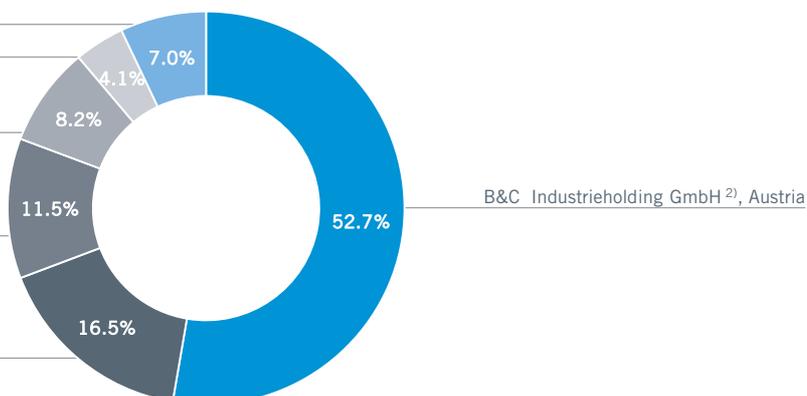
Free float

Esola Beteiligungsverwaltungs GmbH, Austria

Treibacher Industrieholding GmbH, Austria

AMAG Employees Private Foundation

RLB OÖ Alu Invest GmbH <sup>1), 2)</sup>, Austria



1) RLB OÖ Alu Invest GmbH is an indirect wholly-owned subsidiary of Raiffeisenlandesbank Oberösterreich AG

2) B&C Industrieholding GmbH and Raiffeisenlandesbank Oberösterreich concluded a participation agreement on April 1, 2015

## Note

AMAG compiled the forecasts, budgets and forward-looking assessments and statements contained in this report on the basis of information available to the Group at the time the report was prepared. In the event that the assumptions underlying these forecasts prove to be incorrect, targets are missed, or risks materialise, actual results may depart from those currently anticipated. We are not obliged to revise these forecasts in light of new information or future events.

This report was prepared and the data contained in it verified with the greatest possible care. Nevertheless, misprints and rounding and transmission errors cannot be entirely ruled out. This report is also available in German. In cases of doubt, the German-language version is authoritative.

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